

**REMARKS**

In view of the foregoing amendments and the following remarks, reconsideration of the subject application is respectfully requested. Claims 1, 6, 7, 15, 18, 22-25, 28, 31, and 32 are presently pending in the application. Claims 1, 15, 22, 25, and 28 have been amended to clarify the invention. Claims 29 and 30 have been canceled; claims 2-5, 8-14, 16, 17, and 19-21 were canceled by a previous amendment. Claim 22 has been amended to correct a typographical error. All amendments are fully supported by the specification. No new matter has been added.

***Claim Rejections under 35 U.S.C. §112***

In the Office Action, claim 31 was rejected under 35 U.S.C. §112, first paragraph as failing to comply with the written description requirement. The fundamental factual inquiry with regard to compliance with 35 U.S.C. § 112, first paragraph, is whether the specification conveys with reasonable clarity to those skilled in the art that, as of the filing date, that applicant was in possession of the claimed invention. *See MPEP 2163.02*. An applicant may show possession of the claimed invention by describing the invention using such descriptive means as words, structures, figures, diagrams, and formulas that fully set forth the claimed invention. *Id.*

Claim 31 recites a “transaction execution module” that forms a part of the system for facilitating trade entry and portfolio management recited in claim 28. Applicant’s disclosure indicates that once “the portfolio manager determines the buying power for the portfolio with respect to the proposed transaction, **the transaction may be executed through the trade entry system** if that is desired.” *See* Applicant’s Specification at page 13, lines 10-12 (emphasis added). The subject matter of a claim need not be described literally, that is, using the same exact terms for the disclosure to satisfy the description requirement. *See MPEP 2163.02*.

Applicant respectfully submits that the language quoted above from Applicant's disclosure is sufficient to reasonably convey to one skill in the relevant art that Applicant was in possession of the invention claimed in claim 31. Consequently, withdrawal of the rejection is respectfully requested.

***Claim Rejections under 35 U.S.C. §103***

In the Office Action, claims 1, 15, 18, 22, 25, and 32 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Patent Application Publication No. 2002/0082979 to Sands and further in view of Official Notice.

Independent claim 1 recites a method of determining the buying power of an investment portfolio for a given security. The method includes providing a set of compliance rules and calculating a transaction limit for a proposed transaction involving the security for each compliance rule. The method also includes sorting the set of compliance rules from most restrictive to least restrictive and displaying the sorted set of compliance rules along with the calculated transaction limit for each rule, as well as displaying a rule description box that defines how the transaction limit was calculated.

Cwenar recites a computerized data processing system having an external data interface for communicating with nonuser outside sources of investment data to process and deliver the data to a server for storage in a central database. The data delivered to the central database is in the form of data storage tables containing investment data. A data storage table may contain information with respect to an individual security, such as a description of the security, coupon, yield, price, CUSIP number, and issuer of the security. The system also provides a compliance means which serves to compare a proposed trade with a group of rules which can be prioritized

with respect to legal or business standards. The system can then provide instructions regarding stopping, delaying, or proceeding with the proposed trade with appropriate records being kept.

Cwenar fails to disclose or suggest displaying a rule description box that defines how a transaction limit was calculated. The system disclosed in Cwenar allows a user to input rules through an external interface. *See col. 11, lines 44-45.* The rules may be stored on a local computer or in a central database. *See col. 11, lines 46-51.* The rules can be based on legal requirements, *see col. 12, lines 6-7,* or can be discretionary and customized to the preference of a user. *See col. 12, lines 40-42.* When a transaction is found to violate the rules the trade is stopped, and an audit trail report is prepared. *See col. 12, line 27-29.* If the transaction is found to be consistent with the rules, the trade proceeds and a user receives a compliance approval report. *See col. 12, lines 41-47.* Cwenar simply does not disclose the step of displaying a rule description box that defines how a transaction limit was calculated. The system of Cwenar may terminate a transaction that is found to violate the rules and generate an audit report indicating that the rules were violated. However, the system described in Cwenar does not provide a portfolio manager with the description of how the rule was calculated, which would allow the portfolio manager to quickly identify alternative opportunities and decide what actions should be taken during the trading process. For at least these reasons, claim 1 and all claims depending from claim 1 are patentable over Cwenar.

Sands fails to overcome the deficiencies of Cwenar. Sands discloses a system for pre-trade compliance checking in a mutual funds portfolio management process. The system allows a trader to determine what actions are available with regard to compliance before any trades are entered into a portfolio management system. *See page 2, paragraph [0038].* Specifically, the system is designed to ensure that trades are in compliance with Rule 2a-7 of the Investment

Company Act of 1940. *See Id.*; page 1 paragraph [0005]. The system of Sands may include a detail window that displays the details of the rules applied to each trade, along with the limits associated with each rule. *See* page 12, paragraph [0313]. Sands fails to disclose or suggest displaying a rule description box that defines how a transaction limit was calculated. The system disclosed in Sands is designed to work “behind the scenes” to deliver information to a presentation layer that displays the information to a user. *See* page 13, paragraph [0323]. In other words, the system fails to provide the additional information of how the limits were calculated. Consequently, claim 1 is patentable over Cwenar and Sands, either individually or in combination.

Independent claims 15, 22, and 25 each recite means for or the step of displaying a rule description defining how a transaction limit was calculated. Thus, for at least the reasons given above with regard to claim 1, claims 15, 22, and 25 are patentable over Cwenar and Sands, either individually or in combination. Claim 32 depends from independent claim 1; claim 18 depends from independent claim 15; at least by virtue of their dependencies, claims 18 and 32 are also patentable over Cwenar and Sands.

In the Office Action, claims 6, 7, 23, and 24 were rejected as being unpatentable over Cwenar in view of Sands, and further in view of U.S. Patent Application Publication No. 2004/0220872 to Pollock. As outlined above, Cwenar and Sands, either individually or in combination, fail to disclose or suggest each element recited in independent claim 1. Claims 6 and 7 depend from independent claim 1 and so are patentable over Cwenar and Sands for at least the reasons given above in regard to claim 1. Claims 23 and 24 depend from independent claim 22 and are patentable over Cwenar and Sands for at least the reasons given above regarding claim 22.

Pollock fails to overcome the deficiencies of Cwenar and Sands. Pollock discloses methods for lending based on an asset and securitization of loan interests. The Office relies on Pollock solely for its disclosure of receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender. Pollock does not disclose or suggest the step of displaying a rule description box that defines how the transaction limit was calculated. For at least this reason, claims 6, 7, 23, and 24 are patentable over Cwenar, Sands, and Pollock, either individually or in combination.

In the Office Action, claims 28 and 31 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,820,069 to Kogan in view of U.S. Patent Publication No. 2002/0059107 to Reich.

Independent claim 28 recites a system for facilitating trade entry and portfolio management. The system includes a user interface interacting with a control program, a data storage device, and a processor. The user interface includes a financial security section displaying the name of a security as well as data associated with the security; a portfolios section displaying data retrieved from the data storage device, the data including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios; a buying power module displaying a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor, the transaction limit being associated with each compliance rule; and a rule description section of the user interface displaying how the transaction limit was calculated. The compliance rules and associated transaction limits are listed from lowest transaction limit to highest transaction limit in

the buying power module and are applicable to a currently selected investment portfolio in the portfolios section.

Kogan discloses a memory server that executes queries to determine compliance with rules by using a rule definition language. *See* col. 2, lines 46–66. The memory server may be used in determining compliance for securities trading. The Kogan reference describes, in great detail, the implementation of the rule definition language on the memory server. However, Kogan describes only a general-purpose computer system and user interface. *See* cols. 14 and 15; Kogan fails to disclose or suggest a user interface with features that include a financial security section, a portfolios section, a buying power module, and a rule description section, as recited in independent claim 28. For example, Kogan does not disclose or suggest a rule description section displaying how a transaction limit was calculated.

Reich fails to overcome the deficiencies of Kogan noted above. Reich discloses a system for automating transaction compliance checks via a computer communications system. In particular, the compliance system includes a rules processing engine that has access to predefined sets of compliance rules, profile information used to determine which compliance rules apply to a given request, and other information, such as trading history. *See* page 1, paragraph [0008]. A list server is connected to list storage areas and to the rules engine and is configured to process the information in the restriction lists and indicate, in response to a query from the rules engine, which restrictions are relevant to a given request. *See* page 1, paragraph [0009]. The system described in Reich may be connected to or integrated with an electronic trading system. The system can be implemented using conventional electronic circuitry or in computer hardware, firmware, software, or in a combination of these technologies. *See* page 6, paragraph [0061]. Although Reich describes in general terms the back-end functions of an

automated compliance checker, Reich fails to disclose or suggest a user interface having the specific features recited in independent claim 28. Thus, Kogan and Reich, either individually or in combination, fail to render claim 28 obvious.

Claim 31 depends from independent claim 28 and is patentable over Kogan and Reich for at least the reasons given above regarding claim 28.

In the Office Action, claims 29 and 30 were rejected under 35 U.S.C. § 103(a) as being unpatentable Kogan in view of Reich and further in view of U.S. Patent Application No. 2002/0198812 to Wizon. Claims 29 and 30 have been canceled; the rejection is now moot.

However, Applicant notes that Wizon fails to overcome the deficiencies of Kogan and Reich with regard to claims 28 and 31. Wizon discloses a system for pricing fixed income securities and discloses entering a character string in a data field of a graphical user interface. Wizon does not disclose or suggest a rule description section of a user interface that displays how a transaction limit has been calculated. Consequently, claims 28 and 31 are patentable over Kogan, Reich, and Wizon, either individually or in combination.

## CONCLUSION

It is respectfully submitted that each of the pending claims in the application, namely claims 1, 6, 7, 15, 18, 22-25, 28, 31, and 32, is directed to patentable subject matter. Allowance of all pending claims in the application is earnestly solicited.

The Director is hereby authorized to charge any deficiency in the fees filed with this paper (or with any paper filed in this application by this firm) to our Deposit Account No. 04-1105, under Order No. 59004(49357).

Respectfully submitted,

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